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UNCLAS MILAN 000150

SIPDIS

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [IT](#) [BLUE LANTERN](#)

SUBJECT: BLUE LANTERN LEVEL 3: POST-LICENSE END-USE

CHECK ON APPLICATION GC 0451-05

REF: SECSTATE 39576

1.(U) In response to reftel SecState 39576, Milan Pol/Mil and Economic Specialist visited the headquarters of Aermacchi S.p.a. in Venegono Superiore (near Varese) on April 5 and met with Vice President Procurement Mauro Mariano and Head of Equipment Purchasing Gianluca Tamani. Answers to reftel questions reported below.

2. (U) Only one of the two Secondary Flight Display Systems (SFDS) units has been installed in the M-311 Fast Jet Trainer, which at the moment is the trainer prototype that has not been marketed yet. The second unit is a spare part and therefore has not been installed. When officer asked to see the spare unit, they opened the cardboard box with the second unit in front of us. The SFDS was still wrapped in the bubble wrap. We were not able to see inside the unit to verify if the QRS11 sensors were in fact still embedded because the company representatives explained that opening the control unit would nullify the product's warranty.

3. (U) Based on our conversations during our visit, we believe that the QRS11 sensors are still embedded in the SFDS units. Aermacchi needs the units as Meggitt Avionics UK manufactured them, without opening (even for maintenance or repair). They asked us to let them know well in advance in case of a second visit should the SFDS units need to be opened.

4. (U) So far, the Jet Trainers have been used for demonstration purposes only. They have been displayed to the public mainly at fairs or competitions, including: Paris Air Show, Le Bourget, France (2005); Royal International Air Tattoo, Fairford, the UK (2005); Demonstration flight for the Turkish Airforce, Ankara, Turkey (2005); Asian Airshow, Singapore, (March 2006). They are being operated by two Aermacchi expert pilots only.

5. (U) We found company management to be well aware of restrictions on re-transfers of the equipment. They deal regularly with U.S. restrictions as 60 percent of their procurement is from U.S. companies, including Boeing, General Electric and others. They requested, however, to have an updated list of countries subject to restrictions, to be sure. Consulate representatives promised to provide a written list of no-export countries for their guidance.

DGRAZE